



United States Department of Agriculture
Rural Development
Oregon State Office

May 31, 2006

SUBJECT: Contracting Operating Procedures

TO: All Rural Development Employees
Oregon

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to provide guidance on the contractual process to Rural Development employees in Oregon.

COMPARISON WITH PREVIOUS AN:

No AN has ever been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

Contracting Officers for USDA Rural Development are appointed in writing by the Head of Contracting Agency Designee (HCAD), USDA Rural Development, Washington, D.C. Only these government personnel, appointed in writing on a Standard Form (SF) 1402, Certificate of Appointment, have the authority to enter into, administer, terminate contracts, and sign on behalf of the United States Government in accordance with the Federal Acquisition Regulation (FAR Part 1, subpart 1.6).

The Contracting Officer must ensure that no contract is entered into unless all requirements of the law, executive orders, regulations, and all other applicable procedures have been met (FAR Part 1, Subpart 1.6).

Contracting Officers are also responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships.

The Contracting Officer may choose to delegate limited authority for certain contract-related decisions to designated individuals. Such individuals are often known as: CORs (Contracting Officer's Representatives) or COTRs (Contracting Officer's Technical Representatives.)

EXPIRATION DATE:

May 31, 2007

FILING INSTRUCTIONS

Preceding RD Instruction 2024-A

1201 NE Lloyd Blvd., Suite 801, Portland, OR 97232-1274
Phone: (503) 414-3300 • Fax: (503) 414-3385 • TTY: (503) 414-3387 • Web: <http://www.rurdev.usda.gov/or>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

The COR or COTR represents the requiring activity and manages the performance of the contractor from a technical perspective (Departmental Regulation 5001-1).

Typical COR/COTR duties include:

- Monitoring technical performance by reviewing progress reports, making site visits.
- Inspecting deliverables; prepare completion reports, etc.
- Comparing progress with delivery schedules and cost objectives.
- Advising the Contracting Officer of suspected problems with contract performance.
- Providing technical assistance to the Contracting Officer regarding changes and modifications.

Only the Contracting Officer can appoint CORs/COTRs and will specify their authority in writing. Appointed personnel may perform only those functions delegated to them and may not take action that has been reserved exclusively for the Contracting Officer. Authority to sign and modify a contract is not delegated to CORs/COTRs. Employees nominated to serve as CORs must complete all training requirements in accordance with Departmental Regulation (DR) 5001-1.

Unauthorized Commitments: An “Unauthorized Commitment” is an agreement made by a Government representative who lacks the authority to enter into a contract on behalf of the Government. Only government personnel with contracting authority may obligate government funds. Work authorized without an executed Purchase Order (PO) is an Unauthorized Commitment. Unauthorized Commitments are not binding Government agreements and do not require the Government to pay the contractor. The person who made the Unauthorized Commitment may be held liable to the contractor for payment. The Procurement Management Division (PMD) in the National Office may ratify or disapprove the action under the ratification process. The Contracting Officer has no authority to ratify unauthorized commitments; such commitments must be submitted to the National Office for ratification (FAR Part 1, subpart 1.602-3 and AGAR 401.602-3)

New Vendors and Updating the Vendor Database: To do business with the Federal Government, vendors must register in the [Central Contractor Registration](#) (CCR) database and also provide the necessary representations and certifications in the [Online Representations and Certification Application](#) (ORCA).

Vendors must also be set up in the Agency’s database Foundation Financial Information System (FFIS) with Electronic Fund Transfer (EFT) information. A PO can not be issued until the vendor is established in FFIS. Prepare and submit Vendor Request Forms for new vendors including bank account information for Electronic Fund Transfer (EFT) of payments. Waivers for EFT payments will be handled on a case-by-case basis by the Contract Program Manager (CPM). The Vendor Request Form is also required when submitting corrections and updates. For timely processing of POs, you will need to ensure the vendor request is submitted prior to submitting the Procurement Request (AD700). Vendor (EFT) requests forms can be obtained from the Contract Program Area or shared drive at S:\Service_Center\RD\CONTRACTING.

Access to Foundation Financial Information System (FFIS): FFIS access is provided to a limited number of employees and is an important responsibility. Employees who obligate funds and submit payment vouchers through FFIS must ensure they have proper authorization for their actions. Only the amount of the PO can be obligated in FFIS.

Modifications/Corrections: Modifications or corrections to POs will be sent directly to the Contracting Officer clearly marked “CORRECTION.” The FFIS obligation (MY document) will be modified and a corrected PO will be sent to the COR and contractor. A written acceptance of the PO modification from the contractor is required to ensure compliance with the PO per FAR Part 13 and a copy forwarded to the Contracting Officer.

Cancellation: Cancellations will be submitted to the Contracting Officer clearly marked “CANCELLED”. A “cancelled” PO will be sent to the COR and contractor. A written acceptance of the PO cancellation will be obtained from the contractor and a copy forwarded to the Contracting Officer who will then request the funds to be de-obligated in FFIS. (FAR Part 13).

Acknowledgement: The “Receipt” copy of the PO will be mailed to the COR and the “Seller’s Original’ copy will be distributed to the Contractor along with a written acceptance form. Contractors must sign the written acceptance form and forward a copy to the Contracting Officer (FAR Part 13).

Invoice procedures: CORs/COTRs are responsible for ensuring that all necessary forms, listed below are completed and signed certifying that the services/supplies have been received, inspected, and accepted as complying with the PO before submitting to the Contracting Officer for payment:

- USDA Form RD 838-B Invoice – Receipt Certification
- Contractor’s original invoice
- USDA AD-838-5PE Purchase Order (copy)
- Description of Services/Work Completed (e.g. 1922-15 Administrative Appraisal Review for Single Family Housing, inspection reports, maintenance and repairs, language services, etc.)

Payments: All invoices should be submitted for payment as soon as possible; we have 30 days to deliver payment to the contractor upon receiving the invoice or accepting the services, whichever comes later. In accordance with the Prompt Pay Act, vendors must be paid interest penalties if invoice payments are made after 30 days.

BLANKET PURCHASE AGREEMENTS (BPA)

Blanket Purchase Agreements (BPA) are a simplified method of filling anticipated repetitive needs for supplies or services that reduces the administrative costs and avoids unnecessary burdens to the Agency personnel and the contractors. BPAs are used to establish “charge accounts” with a reasonable number of qualified vendors and should include a negotiated price (FAR Part 13).

BPA's must be reviewed annually, and if necessary, updated in accordance with FAR 13.303-6.

Acquisitions of Supplies/Services: All acquisitions for supplies or services that have an anticipated dollar value that does not exceed \$100,000 are reserved exclusively for small business concerns and shall be set aside. Small businesses will be solicited for all such supplies/services. The vendor's business classification shall be provided to the CPM. Please ensure that the Statement of Work (SOW) is either a part of the AD700, or a separate SOW is attached (FAR Part 8).

Requests less than \$2500:

- Rotate work among the available small businesses in your area and include the Government's estimate for the work.
- If using the same contractor frequently, provide a justification and the government's estimate for the work.

Request over \$2500:

- Provide three quotes from qualified contractors; The COR must provide documentation if unable to obtain three quotes.
- Provide a Statement of Work (SOW). All Statements of Work shall include the work to be performed; location of work; period of performance; deliverable schedule; applicable performance standards; etc.

Federal Procurement Data System (FPDS): The Contracting Officer collects, processes, and disseminates official statistical data on federal contracting directly to the Federal Procurement Data System-Next Generation (FPDS-NG). The data is used to provide the basis for measuring and assessing the impact of Federal contracting on the Nation's economy and the extent to which small, veteran-owned small, service-disabled veteran-owned small, HUB Zone small, small disadvantaged, and woman-owned small business concerns are sharing in Federal contracts.

The Contracting Officer must identify and report FPDS-required data on contract actions directly to the Federal Procurement Data System-next Generation (FPDS-NG) on all transactions over \$2500 and modifications to those transactions regardless of dollar value and shall choose to report transactions at or below \$2500, including those made using the Government-wide commercial purchase card (FAR Part 4, Subpart 4.6).

All employees are required to abide by the guidelines outlined in this Administrative Notice for all contractual activities. If you have any questions regarding contractual procedures or processes, contact the Contract Program Manager, Danny Mandell at 503-414-3329.

/s/ Signed by Mark Simmons

MARK SIMMONS
State Director